

Making Economics More Accessible

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The Indian economy has been one of the fastest-growing economies in the last 15 years and has become an important standard by which to compare the development of other national economies. The successful transition to a high-growth economy has been discussed regularly in the mass media and used as a platform for election campaigns by political parties. However, this coverage has rarely focused on the structural imbalances in India's growth model such as increasing inequality, agrarian distress and lack of social security for informal workers. While governments have been celebrating their achievements in bringing growth, urban development, global products and modern jobs, few have focused on the social and ecological consequences of these changes. *Economics*

Economics of Real-Life: A New Exposition by
C T Kurien, *New Delhi: Academic Foundation, 2018; pp 249,*
₹995 (hardcover).

of Real-Life by C T Kurien comes at an important junction, where more people need to be informed about the economy's structure and the consequences of the high-growth model being followed in India.

Economics for Daily Life

Kurien claims in his author's notes that the main motivation to write this book was to inform the lay public about the economy. This requires not only more information about the Indian economy but also communicating the theoretical tools and conceptual foundation to make sense of development and policy. This

book's ambition extends beyond the one stated by the author, to introducing readers to a different framing of economic theory. The author states that he wants to shift the emphasis of economics from a set of models and normative evaluations about markets and individuals, into a more complicated picture that conceptualises the economy as a "network of interactions of a variety of agents which are undergoing transformations over time" (p 11). The author wants to include the role of uncertainty, dynamic interactions, historical context, international relations, power structures and social relationship to understand the economy and its current condition. In doing so, he challenges the traditional "neo-classical" ontological premise of studying economics through economic variables and mathematical models. Instead, he presents a conceptualisation of economics which is embedded in day-to-day life. He states that this book is concerned with "human beings ... like you and me whom we confront in daily life" (p 15). The primary

purpose of the book is to de-intellectualise economics, make it more accessible to a non-informed audience, and provide incentives for more people to engage and understand economic policies. He states rather bluntly that the few textbooks that exist, written by Indian authors, tend to be eclectic compilations of themes. There is a dearth of critical voices pointing out the limitations of mainstream economic theory to understand real-life economic issues.

Dynamic and Complex Economy

Kurien articulates the mandate of economics as understanding livelihoods. He starts the book by asking fundamental questions, such as how do people decide what to produce and how is the produce distributed? One of the larger imperatives of Kurien's book is to understand how economics can shape our understanding of our own lives and answer difficult social questions that we face daily, such as: why are some people rich and others poor? In order to weave in an understanding of economics in "real-life" he uses day-to-day examples throughout the book. In the first chapter, the author introduces the concept of division of labour by discussing the division of labour through which idlis are produced, which includes the role of rice traders, millers, shopkeepers, cooks and vessel producers. This is a first of many examples through which he embeds economic theories into examples from daily life.

The other interesting strategy that Kurien uses, is to explain a simple economic system and add complexity over the course of the book. The first chapter begins with the concept of a barter exchange economy, which is used to explain how production is organised through division of labour and exchange. Through the first few chapters, the author introduces the institutions that shape production and exchange relations such as markets, money, merchants, competition and prices. Kurien does not take the traditional route of explaining markets through normative models that conceptualise the interaction of economic agents in the market through maximisation and equilibrium techniques. Instead, he theorises the role of economic institutions

such as markets, firms and government in shaping the interactions and decisions of individual households. The strategic move to make the household the fundamental unit of the economy and not individuals, takes into account how social relationships are shaped by power dynamics. The running theme through the units is to conceptualise the economy within a capitalist framework and understand the structure and challenges embedded within this system.

The book is divided into three parts: the first part introduces readers to the basic tools, concepts and theories of economics. The focus of Part 1 is to concentrate on fundamental economic activities like production and consumption. This unit frames the major economic interactions within the economy as interactions between households with different resources and constraints interacting within an economic system, whose rules are shaped by certain key institutions like markets, banks, and the state. Part 2 uses the toolbox introduced in Part 1 and examples from history to create a profile of the economy as a complex entity, which is influenced by aggregate human behaviour. This unit provides the macro-context that shapes complex interactions of households. It embeds the economy within the international economy where nations are competing with each other to develop and grow. Development is explained as the process of increasing the national income and transforming the economy into an industrial, capitalistic system. It also accounts for the unequal power structure in interactions between developed and developing countries, and the role of transnational corporations and international development institutions in shaping these unequal relationships. Part 3 of the book applies the conceptual structure of the economy and the macro-economic context within which it is embedded, to understand the evolution and development of the Indian economy since independence.

This narrative traces the shift of Indian policymaking from a planning-based economy to a market-oriented one. It focuses on the main challenges and constraints faced by policymakers and explains some of the contemporary structural imbalances

in the Indian economy, which include the failure to generate sustainable livelihood options for the vast majority of the population, the stagnation of the agricultural sector, growing inequality and distance between the rich and poor, and environmental degradation. Kurien ends the book by criticising the current finance dominated form of capitalism and provides historical alternatives for the development of an economy. He also lists social movements within India that can be used as a model for developing a different kind of economy. These include the formation of co-operatives and the importance of better governance structures in villages.

The sheer breadth of topics covered—economic theory, economic history, commentary on the contemporary economy and potential alternative development models—makes this book a must-read for those who follow the economy and policy through the media regularly. This book is conceptualised to be interesting for lay audiences, and simple relatable examples which Indians are exposed to, are used throughout the book. Moreover, the book is structured to assist the reader in learning the tools and concepts that are deployed in it. It provides thought experiments, economic puzzles and probing tools to create an investigative outlook within the reader. Lastly, the book summarises the main learnings at the end of the chapter, which ensures that the reader does not get lost or overwhelmed with the book. However, this book is not an easy read, even though it has been conceptualised and structured to be accessible to lay readers. The chapters, especially the initial ones, have to be understood in order for the reader to progress through the book. For readers without a background in economics, this requires a degree of persistence and patience. The latter chapters, especially the historical discussions and commentary on the contemporary economy, are easier to read as the narratives are less conceptual and more informative. Readers who do not have the time to invest in the book, can be well-served by reading the latter parts directly, as the first and third units are not strongly linked.

The book would have benefited from more data which is easily available in

the public domain. The Indian economy story can be articulated through macro-economic data. Moreover, the impact of finance institutions and multinational corporations (MNCs) can be evaluated by looking at the balance of payments data on imports/exports and foreign investments. This could have been a good opportunity to educate the reader about understanding data and evaluating arguments based on the data.

Imbalanced Forms of Capitalism

In undertaking such an ambitious enterprise, the book does reflect conceptual simplicities and biases of the author. While this should not be held against the merit of the book, an understanding of this will assist the informed reader in their evaluation. The main argument made is that the contemporary form of capitalism in the Indian economy, introduced in the 1990s through liberalisation policies, favours financial institutions and MNCs. Moreover, these policies are shaped by the global forces of capitalism such as Western developed nations, MNCs, the International Monetary Fund (IMF) and the World Bank. There is an undeniable reality to this account, but it fails to shed light on the specificities of the process of liberalisation of India and gives the sense that these policies were imposed upon India from outside. It has been argued cogently that there were interest groups within India which were shaping politics from the time of independence (Chibber 2003; Frankel 2004) to ensure policies that meet the demands of economic elites and private corporations. It also fails to capture the regional specificities of the development process in India and how colonialism had shaped a regionally imbalanced system. Economic outcomes are a function of both the colonial policies and the various asymmetrical social structures that are prevalent in different regions in India. The reasons for the economic prosperity of metropolitan cities and states such as Gujarat, Maharashtra and Tamil Nadu are different from the economic stagnation and distress faced by farmers and landless peasants in the northern states of India.

The book fails to capture the complicated social dynamic of the Indian society

where caste, gender and race shape economic disparities. Further, it does not mention two important institutions that distinguish capitalism in contemporary India from other countries, which are: the strong influence of the central state in shaping the economy and, second, the persistence of the informal sector as the driving force of the economy.

The author provides an immanent representation of capitalism as an overpowering force driven by unequal international relations, which serves the needs of finance and predatory MNCs. However, this image is closer to the American form of capitalism. Other forms of capitalism such as the social democratic capitalism found in Scandinavian countries and Germany or the more state-controlled forms of capitalism in China also shape global economic forces. The major implications of this is that while the author criticises the damaging elements of the American capitalism, he does not critique the more general problems and

tendencies of capitalism; these are summarised in Marxian literature as asymmetric power of those who own the means of production, the tendency of economic and political power to be concentrated in few hands, and the tendency of the economy to crash at regular intervals.

Overall, *Economics of Real-Life* is a significant contribution in making economics more accessible, and creating an informed audience who can evaluate economic claims made by the mass media and political parties. This is particularly important in the current political landscape in India where the future of the economy is being created, shaped and contested.

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Wage Rates in Rural India

The EPW Research Foundation has added a module on Wage Rates in Rural India to its online database, EPWRF India Time Series (EPWRFITS).

This module provides average daily wage rates, month-wise, in rupees, for various agricultural and non-agricultural occupations in Rural India for 20 states starting from July 1998 (also available, data for agricultural year July 1995–June 1996). Additionally, it presents quarterly and annual series (calendar year, financial year and agricultural year), derived as averages of the monthly data.

The wage rates for agricultural occupations are provided for ploughing/tilling, sowing, harvesting, winnowing, threshing, picking, horticulture, fishing (inland, coastal/deep-sea), logging and wood cutting, animal husbandry, packaging (agriculture), general agricultural segment and plant protection.

The non-agricultural occupation segment presents wage rates for carpenters, blacksmiths, masons, weavers, beedi makers, bamboo/cane basket weavers, handicraft workers, plumbers, electricians, construction workers, LMV and tractor drivers, porters, loaders, and sweeping/cleaning workers.

The data have been sourced from *Wage Rates in Rural India*, regularly published by the Labour Bureau, Shimla (Ministry of Labour and Employment, Government of India).

With this addition, the EPWRFITS now has 18 modules covering both economic (real and financial sectors) and social sectors.

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